

**YWCA GREATER BATON ROUGE, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/13/10

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
YWCA Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of YWCA Greater Baton Rouge, Inc. (a nonprofit organization) as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The prior year summarized comparative information has been derived from YWCA Greater Baton Rouge, Inc.'s 2008 financial statements and our report dated August 20, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YWCA Greater Baton Rouge, Inc. as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2010, on our consideration of YWCA Greater Baton Rouge, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of YWCA Greater Baton Rouge, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Latuso + Johnson CPA LLC*

Baton Rouge, Louisiana  
September 28, 2010

**YWCA GREATER BATON ROUGE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2009**  
**WITH COMPARATIVE TOTALS FOR 2008**

**ASSETS**

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>2009 Total</u>	<u>2008 Total</u>
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 1,187	\$ -	\$ 1,187	\$ 183,369
Investments	11,574	18,561	30,135	26,894
Accounts Receivable	68,587	-	68,587	38,570
Government Grants Receivable	254,768	-	254,768	226,295
Other Receivable	-	-	-	52,494
Prepaid Expenses	10,983	-	10,983	13,098
	<u>347,099</u>	<u>18,561</u>	<u>365,660</u>	<u>540,720</u>
<b>Total Current Assets</b>				
Property and Equipment, Net	284,637	-	284,637	399,425
Other Assets	1,150	-	1,150	1,650
<b>Total Assets</b>	<u>\$ 632,886</u>	<u>\$ 18,561</u>	<u>\$ 651,447</u>	<u>\$ 941,795</u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>				
Accounts Payable	\$ 67,414	\$ -	\$ 67,414	\$ 12,100
Note Payable-Line of Credit	43,292	-	43,292	23,400
Grant Advances	52,212	-	52,212	262,193
Other Current Liabilities	1,286	-	1,286	283
YWCA Regional Dues Payable	37,250	-	37,250	74,124
Accrued Vacation	41,746	-	41,746	63,633
<b>Total Current Liabilities</b>	<u>243,200</u>	<u>-</u>	<u>243,200</u>	<u>435,733</u>
<b>Net Assets:</b>				
Unrestricted	389,686	-	389,686	490,251
Permanently Restricted				
Endowment	-	18,561	18,561	15,811
<b>Total Net Assets</b>	<u>389,686</u>	<u>18,561</u>	<u>408,247</u>	<u>506,062</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 632,886</u>	<u>\$ 18,561</u>	<u>\$ 651,447</u>	<u>\$ 941,795</u>

The accompanying notes are an integral part of these financial statements

**YWCA GREATER BATON ROUGE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
**WITH COMPARATIVE TOTALS FOR 2008**

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>2009 Total</u>	<u>2008 Total</u>
<b>Support and Revenue:</b>				
Support:				
Grants	2,386,625	-	2,386,625	3,597,615
Contributions-In-Kind	316,678	-	316,678	325,805
United Way	111,476	-	111,476	143,571
Contributions	51,427	-	51,427	49,976
Special Events	44,303	-	44,303	43,323
Total Support	<u>2,910,509</u>	<u>-</u>	<u>2,910,509</u>	<u>4,160,290</u>
Revenue:				
Other Revenue	32,907	-	32,907	21,629
Program Service Fees	15,762	-	15,762	16,875
Membership Dues	15,361	-	15,361	12,283
Gain/(Loss) on Endowment	-	2,779	2,779	(8,363)
Interest Income	853	462	1,315	4,432
Total Revenue	<u>64,883</u>	<u>3,241</u>	<u>68,124</u>	<u>46,856</u>
Net Assets Released from Restrictions	491	(491)	-	-
Total Support and Revenue	<u>2,975,883</u>	<u>2,750</u>	<u>2,978,633</u>	<u>4,207,146</u>
<b>Expenses:</b>				
Program Services	2,727,813	-	2,727,813	4,181,524
Management and General	311,424	-	311,424	328,766
Fund Raising	37,209	-	37,209	36,249
Total Expenses	<u>3,076,446</u>	<u>-</u>	<u>3,076,446</u>	<u>4,546,539</u>
Change in Net Assets	(100,563)	2,750	(97,813)	(339,393)
Net Assets, Beginning of Year	<u>490,251</u>	<u>15,811</u>	<u>506,062</u>	<u>845,455</u>
Net Assets, End of Year	<u>\$ 389,688</u>	<u>\$ 18,561</u>	<u>\$ 408,249</u>	<u>\$ 506,062</u>

The accompanying notes are an integral part of these financial statements

**YWCA GREATER BATON ROUGE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
**WITH COMPARATIVE TOTALS FOR 2008**

	<u>2009</u>	<u>2008</u>
<b>Cash Flows From Operating Activities:</b>		
Change in Net Assets	\$ (97,813)	\$ (339,393)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by (Used in) Operating Activities:		
Depreciation	114,787	139,586
Loss on retirement of property	-	193,528
Realized and Unrealized (Gain) Loss on Endowment	(3,241)	7,939
Net Changes in Assets and Liabilities:		
(Increase) Decrease in Investments	-	16,271
(Increase) Decrease in Receivables	(5,996)	91,176
(Increase) Decrease in Other Assets	2,615	44,086
Increase (Decrease) in Accounts Payable	55,314	(14,091)
Increase (Decrease) in Accrued Liabilities	(21,887)	(25,536)
Increase (Decrease) in Grant Advances	(209,981)	(79,007)
Increase (Decrease) in Other Current Liabilities	<u>(35,872)</u>	<u>20,978</u>
Net Cash (Used) Provided by Operating Activities	(202,074)	55,537
<b>Cash Flows From Investing Activities:</b>		
Purchases of Equipment	<u>-</u>	<u>(14,077)</u>
Net Cash Used in Investing Activities	-	(14,077)
<b>Cash Flows From Financing Activities:</b>		
Increase (Decrease) in Line of Credit	19,892	(58,600)
Repayment of Long Term Debt	<u>-</u>	<u>(20,372)</u>
Net Cash Provided (Used) by Financing Activities	19,892	(78,972)
Net Decrease in Cash and Cash Equivalents	(182,182)	(37,512)
Cash and Cash Equivalents - Beginning of Year	<u>183,369</u>	<u>220,881</u>
Cash and Cash Equivalents - End of Year	\$ <u><u>1,187</u></u>	\$ <u><u>183,369</u></u>
<b>Supplementary Information:</b>		
Interest Paid	\$ <u><u>2,832</u></u>	\$ <u><u>2,037</u></u>

The accompanying notes are an integral part of these financial statements

**YWCA GREATER BATON ROUGE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
**WITH COMPARATIVE TOTALS FOR 2008**

	<u>Support Services</u>			<u>2009</u> <u>Totals</u>	<u>2008</u> <u>Totals</u>
	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and</u> <u>General</u>	<u>Fund</u> <u>Raising</u>		
Salaries	\$ 1,535,164	\$ 158,894	\$ 25,153	\$ 1,719,211	\$ 2,507,098
Donations-In Kind	316,678	-	-	316,678	325,805
Fringe Benefits	201,059	26,322	3,132	230,513	341,284
Payroll Taxes	120,541	7,374	2,319	130,234	145,658
Contract Services	107,247	11,960	923	120,130	234,466
Supplies	89,704	11,700	1,566	102,970	82,568
Occupancy	51,402	43,520	-	94,922	62,321
Conferences	52,862	10,482	3,626	66,970	67,761
Insurance	49,223	991	-	50,214	94,222
Other Costs	31,042	281	-	31,323	175,268
Travel Expenses	25,959	173	-	26,132	25,274
Telecommunications	15,148	6,987	-	22,135	20,720
YWCA Regional Dues	6,720	8,400	-	15,120	21,840
Equipment Rental & Maintenance	11,355	55	-	11,410	76,723
Printing/Copying/Publications	4,538	2,208	392	7,138	8,775
Dues and Subscriptions	4,069	2,268	40	6,377	3,593
Postage and Shipping	744	2,603	20	3,367	3,663
Interest and Bank Charges	194	2,021	38	2,253	5,581
Miscellaneous Expense	187	1,148	-	1,335	2,079
Finger Printing & Background	1,069	52	-	1,121	635
Direct Assistance to Individuals	1,080	-	-	1,080	2,828
Staff Development	497	360	-	857	3,660
Awards	169	-	-	169	1,603
<b>Total Expenses</b>					
Before Depreciation & Loss	2,626,651	297,799	37,209	2,961,659	4,213,425
Depreciation	101,162	13,625	-	114,787	139,586
Loss on Fixed Asset	-	-	-	-	193,528
<b>Total Expenses</b>	<b>\$ 2,727,813</b>	<b>\$ 311,424</b>	<b>\$ 37,209</b>	<b>\$ 3,076,446</b>	<b>\$ 4,546,539</b>

The accompanying notes are an integral part of these financial statements



# **YWCA GREATER BATON ROUGE, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Organization**

YWCA Greater Baton Rouge, Inc. (the "Organization") is a Louisiana non-profit corporation organized for the purpose of advancing the spiritual, intellectual, mental, social, cultural and physical condition of women and girls in the Baton Rouge area. The Organization is associated with the Young Women's Christian Association of the United States of America. The Organization is also a participating agency of and receives a portion of its annual funding needs from the Capital Area United Way. Other principal sources of revenues are grants, annual membership dues, donations and fees charged for various program activities. The Organization is exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code.

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

#### **Net Assets**

The Organization classifies assets into three categories: unrestricted, temporarily restricted and permanently restricted. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary, donor-imposed time or purpose restrictions. Temporarily restricted net assets become unrestricted and are reported in the statement of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contributions.

#### **Contributions**

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes, are reported as temporarily restricted or permanently restricted support that increases those net asset classes, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**YWCA GREATER BATON ROUGE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -  
(CONTINUED)**

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Donated Assets and Services

Land, buildings and equipment received as donations are recognized in the accompanying financial statements at their estimated fair market value at the date they are received.

The Organization recognizes contribution revenue for certain services received at the fair value of those services provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the organization considers all unrestricted highly liquid investments with maturity of three months or less to be cash equivalents.

Investments

The Organization has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-For-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the changes in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**YWCA GREATER BATON ROUGE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -  
(CONTINUED)**

Accounts Receivable

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from generally accepted accounting principles as it approximates the valuation method.

Property and Equipment

Expenditures for the acquisition of property and equipment are capitalized at cost. The fair value of donated property and equipment is similarly capitalized. Depreciation is provided over the estimated useful lives of the assets, which range from 5 to 15 years, using the straight-line method.

Concentration of Credit

The Organization maintains cash accounts with three commercial banks. The balances have not exceeded the federally insured amount of \$250,000 during 2009.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the time spent on each program.

**NOTE 2 - RESTRICTED INVESTMENTS**

YWCA of Greater Baton Rouge, Inc. has established a permanently restricted endowment fund. The fund is held in the Baton Rouge Area Foundation within an investment fund which is managed for income and growth. The investment is recorded in the accompanying financial statements at its fair market value of \$30,135. Of this balance \$18,561 is permanently restricted; the remaining balance of \$11,574 was unrestricted at December 31, 2009.

**YWCA GREATER BATON ROUGE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

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**NOTE 3 – FIXED ASSETS**

A summary of fixed assets at December 31, 2009 is as follows:

Vehicles	\$ 227,339
Equipment	332,297
Buildings and grounds	<u>369,057</u>
	928,693
Accumulated Depreciation	<u>(644,056)</u>
Net Book Value	<u>\$ 284,637</u>

Depreciation expense for the year ended December 31, 2009 was \$114,787.

**NOTE 4 – GRANT ADVANCES**

The organization often receives private grants which are intended by the grantor for certain general programs but not restricted to a specific use. The funds are subject to being reclaimed by the grantor should it be determined that the intended use is unlikely to occur. These grants are recorded as a liability until such time that they are used for the intended program. Once the intended use has been identified, the portion used is recognized as income in the period the related expense is incurred.

Grant advances consist of the following unspent grant funds:

Huey Wilson Foundation (Dev.)	\$22,568
You Win! LSU Gear-up	9,240
Susan G Komen Foundation	7,947
Rise	5,954
Bancorp South	4,740
Others below \$2,000	<u>1,763</u>
Total Grant Advances	<u>\$52,212</u>

**YWCA GREATER BATON ROUGE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

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**NOTE 5 – LOANS PAYABLE**

The Organization has a \$100,000 revolving line of credit at a local bank which bears interest at the Wall Street prime rate with maximum rate of 6% (6% at December 31, 2009). At December 31, 2009, the amount outstanding on the line was \$43,292. The loan is renewable on an annual basis in September.

Interest expense for the year ended December 31, 2009 was \$2,832.

**NOTE 6 – LEASE COMMITMENTS**

The Organization leases its administrative offices, three buildings, and office equipment under various noncancellable operating leases.

The Organization also rents storage facilities and equipment on a daily basis as needed. Total rent expense for the year ended December 31, 2009 was \$92,505.

The future minimum lease payments are as follows:

**December, 31 :**

2010	\$ 73,586
2011	40,448
2012	12,000
2013	12,000
2014	<u>3,000</u>
	<u>\$141,034</u>

**NOTE 7 – RELATED PARTY TRANSACTIONS**

As of December 31, 2009, the Organization owed accrued dues payable to the YWCA Southwest Delta Region in the amount of \$37,250, which reflects \$35,194 forgiveness. Management does not expect to liquidate the payable in the near term. However, to reflect the due and payable status of the amount due, it is included in the accompanying financial statements as a current liability.

A former member of the board is a partner in the law firm representing the organization in a lawsuit. There were no amounts paid to the firm during the year ended December 31, 2009.

# **YWCA GREATER BATON ROUGE, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

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### **NOTE 8 – ECONOMIC DEPENDENCY**

The Organization receives the majority of its revenues from funds provided through various state and federal grants. During the year ended December 31, 2009, approximately 67% of total revenue was received from the Federal and State Grants. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal, state and/or local level, the amount of funds the Organization receives could be reduced significantly and could have an adverse impact on its operations. Effective January 2010, the state discontinued the funding for the Teen Pregnancy Prevention program (TPP). This program was part of a statewide cancellation of TPP funding. In 2009, revenues from this grant amounted to approximately \$650,000.

### **NOTE 9 – RETIREMENT PLAN**

Employees of the organization who meet minimum service requirements are eligible to participate in the National YWCA Retirement Fund. The Plan is a cash balance defined benefit plan. Employee contributions are optional. Employees are allowed to make voluntary contributions based on their compensation up to certain maximum limits. During the year ended December 31, 2009, the Organization contributed \$82,341 to the retirement plans, and these contributions are included as employee benefits in the accompanying financial statements.

The actuarial present value of the benefit obligation and fair value of plan assets are not available separately for each employer that participates in the plan.

### **NOTE 10 – FEDERAL COMPLIANCE CONTINGENCIES**

The Organization receives a portion of its revenues from government grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

### **NOTE 11 – OTHER CONTINGENCIES**

Since 2007, the Organization has been a defendant in a lawsuit brought by a former employee. Management intends to vigorously defend the organization and has filed a countersuit in the matter. Management does not expect to incur any losses related to the suit.

**YWCA GREATER BATON ROUGE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

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**NOTE 12 – IN KIND CONTRIBUTIONS**

During the year ended December 31, 2009, the Organization received the following non-cash donations of material, services and free use of facilities that have been reflected in the accompanying financial statements in Support and Revenues as Contributions-In-Kind and Functional Expenses as Donations-In-Kind:

Free or Discounted Use of Facilities	\$ 99,170
Volunteers, Interns and Professional Services	81,402
Books	47,184
Supplies	43,376
Bus Operating Costs	25,831
Conference Costs	14,500
Other Items	<u>5,215</u>
Total In Kind	<u><b>\$316,678</b></u>

**NOTE 13 SUBSEQUENT EVENT**

Management of the Organization has evaluated all subsequent events through September 28, 2010, the date the financial statements were available to be issued. No additional disclosures are considered necessary.

# Latuso and Johnson CPA, LLC

*Certified Public Accountants*

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARD**

To the Board of Directors of  
YWCA Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of YWCA Greater Baton Rouge, Inc. (a nonprofit organization) as of and for the year ended December 31, 2009, and issued our report thereon dated September 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issue by the Comptroller General of the United States.

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered YWCA Greater Baton Rouge, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the YWCA Greater Baton Rouge, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



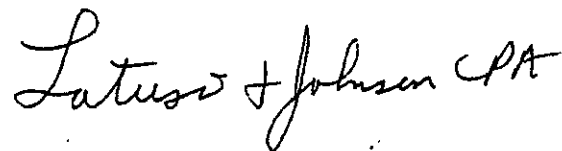
However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as described in finding 2009-1, 2009-2 and 2009-3. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether YWCA Greater Baton Rouge, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings as item 2009 -4.

YWCA Greater Baton Rouge, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings.

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than these specified parties.



Baton Rouge, Louisiana  
September 28, 2010

# **Latuso and Johnson CPA, LLC**

*Certified Public Accountants*

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## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors  
YWCA Greater Baton Rouge, Inc.  
(A Nonprofit Organization)  
Baton Rouge, Louisiana

### **COMPLIANCE**

We have audited the compliance of YWCA Greater Baton Rouge, Inc. (A Nonprofit Organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. YWCA Greater Baton Rouge, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of YWCA Greater Baton Rouge, Inc.'s management. Our responsibility is to express an opinion on YWCA Greater Baton Rouge, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about YWCA Greater Baton Rouge, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of YWCA Greater Baton Rouge, Inc.'s compliance with those requirements.

In our opinion, YWCA Greater Baton Rouge, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

## INTERNAL CONTROL OVER COMPLIANCE

The management of YWCA Greater Baton Rouge, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered YWCA Greater Baton Rouge, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of YWCA Greater Baton Rouge, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Latuso & Johnson CPA, LLC*

Baton Rouge, Louisiana  
September 28, 2010

**YWCA GREATER BATON ROUGE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of YWCA Greater Baton Rouge, Inc.
2. Four reportable conditions were disclosed during the audit of the financial statements and are included in this report.
3. One instance of noncompliance which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit.
5. The auditors' report on compliance for the major federal award programs for YWCA Greater Baton Rouge, Inc. expresses an unqualified opinion on all major federal programs.
6. No audit findings are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs included:
  - Administration for Children and Families
  - Early Head Start (CFDA 93.600)
  - Office of Family Support
  - Temporary Assistance for Needy Families (CFDA 93.558)
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. YWCA Greater Baton Rouge, Inc. did not qualify as a low-risk auditee.
10. There were two findings reported in the Schedule of Findings and Questioned costs in the prior year.
11. A management letter was not issued.

**YWCA GREATER BATON ROUGE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**SECTION II - PRIOR YEAR FINDINGS**

2008-1 Finding: The bank accounts were reconciled on a monthly basis, but the procedures did not include an investigation of old outstanding items. Deposits in transit outstanding over three months and checks outstanding over six months were not being investigated. Adjustments to the general ledger were not made.

Management Response: Personnel corrected their procedures, except as noted in finding 2009-1.

2008-2 Finding: The Organization was not in compliance with the reporting requirement of submitting annual financial statements to the Legislative Auditor's office within six months after year end.

Management Response: Management concurred with the finding, and requested the auditors to commence their procedures at an earlier date.

**SECTION III - CURRENT YEAR FINDINGS**

2009-1 Finding: During 2009 the Organization changed the person responsible for reconciling the bank accounts. After the change, the bank reconciliations were improperly prepared and did not reconcile to the general ledger. In addition, the reconciliations had improper approvals.

Recommendation: The bank accounts should be reconciled timely, agreed to the general ledger and approved by a knowledgeable supervisor or board member.

Management Response: Management concurs and has made necessary personnel changes.

2009-2 Finding: We noted that checks received from supporters and checks written to vendors were being held for an excessive period of time.

Recommendation: Checks received should be deposited at least weekly. Checks for payments to vendors should not be prepared until the checks are intended to be mailed.

Management Response: Management concurs and has made necessary changes in the personnel performing these functions.

**YWCA GREATER BATON ROUGE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**SECTION III - CURRENT YEAR FINDINGS - (CONTINUED)**

2009-3 Finding: We noted that the same employee received and deposited cash and prepared checks. In addition, the same employee recorded entries into the general ledger and reconciled the bank account.

Recommendation: The bank reconciliations should be prepared by someone not responsible for these functions.

Management Response: Management concurs and has made necessary changes in the personnel performing these functions and changed individuals performing various record keeping functions.

2009-4 Finding: The Organization was not in compliance with the reporting requirement of submitting annual financial statements to the Legislative Auditor's office within six months after year end.

Recommendation: Personnel should reconcile all necessary accounts and make necessary adjustments within sixty days of year end.

Management Response: Management concurs and has made necessary personnel changes, which will facilitate the year end accounting procedures.

**YWCA GREATER BATON ROUGE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>CFDA #</u>	<u>Amount of Federal Expenditures</u>
<b><u>U.S. Department of Health and Human Services:</u></b>		
Administration For Children and Families - Early Headstart	93.600	\$ 1,037,537
Passed through Louisiana Department of Social Services Office of Family support Temporary Assistance for Needy Families	93.558	654,881
Passed through Louisiana Department of Health and Hospitals Office of Public Health HIV/AIDS Program	93.940	63,558
Passed through Louisiana Department of Social Services Agriculture and Mechanical College National Breast and Cervical Cancer Early Detection Program	93.919	42,164
Total U.S. Department of Health and Human Services		\$ <u>1,798,140</u>
<b><u>U.S. Department of Education</u></b>		
21st Century Community Learning Centers	84.287	12,600
<b><u>U.S. Department of Housing and Urban Development</u></b>		
Passed through City/Parish of East Baton Rouge Office of Community Development Community Development Block Grant	14.218	50,000
Total Federal Expenditures		\$ <u><u>1,860,740</u></u>

See Auditors' Report

**YWCA GREATER BATON ROUGE, INC.**

**NOTES TO THE SCHEDULE OF FEDERAL EXPENDITURES**

**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the YWCA of Greater Baton Rouge, Inc. And is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule ay differ from amounts presented in, or used in the preparation of, the basic financial statements.